

Message Text

SECRET

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ACTION SS-25

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S E C R E T SECTION 1 OF 4 TEL AVIV 8047

EXDIS

FOR NEA - SAUNDERS FROM AMBASSADOR

Z.O. 11652: GDS
TAGS: PEPR, IS, US
SUBJECT: VICE PRESIDENT MONDALE'S VISIT TO ISRAEL - TALKING POINTS
FOR MEETINGS WITH GOI OFFICIALS

1. AS REQUESTED IN TELECON JUNE 24, FOLLOWING CONTAINS
BACKGROUND INFORMATION AND TALKING POINTS FOR THE VICE
PRESIDENT'S BILATERAL MEETINGS IN ISRAEL. PARA. 2 CONTAINS
GENERAL TALKERS FOR ALL SESSIONS. SUBSEQUENT PARAS. BRIEFLY
SKETCH CURRENT CONCERNS OF EACH INDIVIDUAL, FOLLOWED BY
SPECIFIC TALKERS FOR EACH MEETING.

2. GENERAL TALKING POINTS FOR ALL BILATERALS:
-- ONE OF THE PURPOSES OF MY VISIT IS TO REAFFIRM THE COMMITMENT
OF THE UNITED STATES TO THE SECURITY, STRENGTH AND
WELL-BEING OF ISRAEL. THE PRESIDENT FEELS AS STRONGLY AS
I DO ON THIS SUBJECT. DESPITE THE VERY REAL DIFFERENCES
WE HAVE WITH THE ISRELI GOVERNMENT ON HOW TO MOVE THE PEACE
PROCESS FORWARD, THERE HAS BEEN NO CHANGE IN OUR IRREVOCABLE
COMMITMENT TO A STRONG AND SECURE ISRAEL.

-- WE DO NOT INTEND TO LET THE POSSIBILITIES OPENED UP BY
SADAT'S VISIT TO JERUSALEM AND BEGIN'S TRIP TO ISMAILIYA
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DISSOLVE INTO YET ANOTHER LOST OPPORTUNITY. THE TIME AND
CIRCUMSTANCES ARE NOW RIPE FOR CONSTRUCTIVELY ADDRESSING THE
PROCEDURAL AND SUBSTANTIVE ISSUES WHICH STILL STAND IN THE
WAY OF A PERMANENT PEACE SETTLEMENT. WE DO NOT KNOW IF THE
CABINET'S ANSWERS TO THE QUESTIONS WE PUT TO ISRAEL WILL
PERSUADE SADAT TO RESUME DIRECT NEGOTIATIONS. HOWEVER, I
WANT YOU TO KNOW THAT PRESIDENT CARTER IS DOING ALL HE CAN

TO ENCOURAGE EGYPT TO RETURN TO DIRECT TALKS. TOWARD THIS GOAL, HE HOPES TO BRING SECRETARY VANCE AND FOREIGN MINISTERS DAYAN AND KAMEL TOGETHER IN THE VERY NEAR FUTURE.

-- WE ARE AWARE OF CRITICISM BY SOME ISRAELIS THAT WE ARE BEING ONE-SIDED AND THAT WE ASK ONLY JERUSALEM TO MAKE CONCESSIONS AND ADDITIONAL COMPROMISES. TO THE CONTRARY, OUR EFFORTS HAVE IN NO SMALL PART RESULTED IN SUBSTANTIAL EGYPTIAN CONCESSIONS. AS COMPARED WITH EARLY LAST YEAR, EGYPT NOW ACCEPTS THE PROPOSITION THAT A PEACE SETTLEMENT BASED UPON SECURITY COUNCIL RES. 242 SHOULD ENCOMPASS THE FULL RANGE OF NORMAL RELATIONS THAT ARE CUSTOMARY BETWEEN STATES AT PEACE. SADAT HAS ALSO MOVED ASAY FROM SUPPORT FOR A PALESTINIAN STATE AND HAS IN PRINCIPLE ACCEPTED AN ISRAELI MILITARY PRESENCE ON THE WEST BANK AND GAZA FOR AT LEAST THE FIVE YEARS FOLLOWING A PEACE TREATY. SADAT HAS ALSO INDICATED HIS WILLINGNESS TO ACCEPT MINOR MODIFICATIONS FO THE PRE-1967 WEST BANK/GAZA BORDERS AS PART OF ANY TERRITORIAL SETTLEMENT. WE ARE CONTINUING TO IMPRESS UPON SADAT THE NEED FOR FURTHER FLEXIBILITY IN ORDER TO GET THE PEACE PROCESS OFF DEAD CENTER.

-- AS I HAVE STATED, THE U.S. COMMITMENT TO ISRAEL WILL REMAIN THE CORNERSTONE OF AMERICAN FOREIGN POLICY IN THE MIDDLE EAST. AT THE SAME TIME, I MUST EXPRESS OUR VIEW THAT ISRAEL MUST EMBRACE THE GENERAL PRINCIPLE OF THE WITHDRAWAL-

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FOR-PEACE FORMULA. WE ARE FULLY AWARE THAT THIS, AND THE PALESTINIAN ISSUE GENERALLY, RAISE DIFFICULT SECURITY CONSIDERATIONS FOR ISRAEL. BUT, WE BELIEVE THAT ACCEPTING THIS GENERAL FORMULA CAN LEAD TO DETAILED, NEGOTIATED ARRANGEMENTS TO SATISFY THOSE CONSIDERATIONS, AND IT MUST APPLY IF THERE IS TO BE PROGRESS.

-- THE UNITED STATES WILL NOT ACCEPT ANY PEACE SETTLEMENT WHICH DOES NOT ADEQUATELY PROVIDE FOR ISRAELI SECURITY CONCERNs. IN ADDITION, TO REINFORCE ANY ARRANGEMENTS THAT MAY BE INCORPORATED IN PEACE TREATIES, AND IF WE JUDGE IT ESSENTIAL TO CEMENT A FINAL AGREEMENT, WE ARE PREPARED -- AND HAVE STATED THIS PUBLICLY -- TO CONSIDER WHATEVER BI-LATERAL U.S. SECURITY GUARANTEES ISRAEL MAY CONSIDER NECESSARY TO A PEACE SETTLEMENT. WITH THESE ASSURANCES WE BELIEVE THAT ISRAEL CAN AND MUST TAKE THE HARD DECISIONS WHICH WILL ALLOW US TO WORK TOGETHER TOWARD A VIABLE AND SECURE, PERMANENT PEACE IN THE MIDDLE EAST.

3. MEETING WITH DAYAN:
BACKGROUND:
DAYAN IS THE BRIDGE BETWEEN BEGIN'S STRONGLY HELD IDEOLOGICAL

VIEWS AND THE PRACTICAL REQUIREMENTS OF A FLUID NEGOTIATING SITUATION. WITH ALMOST NO POLITICAL BASE OF HIS OWN, DAYAN IS BEHOLDEN TO BEGIN FOR HIS PLACE IN THE CABINET. IN RETURN, DAYAN BRINGS TO THE GOVERNMENT HIS YEARS OF DEPOLITICAL EXPERIENCE AND SKILLS AS AN IMAGINATIVE FORMULATOR OF POLICY. ALTHOUGH UNABLE TO MOVE BEGIN ON HIS CORES BELIEFS, DAYAN HAS BEEN ABLE TO NIBBLE AROUND THEIR EDGES. THIS HAS BEEN MOST CLEARLY ISSULSTRATED IN HIS ATTEMPT TO INCORPORATE IN BEGIN'S AUTONOMY PROPOSAL VARIOUS PROVISIONS FOR COOPERATION WITH JORDAN, IDEAS SIMILAR TO DAYAN'S LONG-HELD VIEWS IN FAVOR OF A FUNCTIONAL SOLUTION FOR THE WEST BANK.

IN APRIL, DAYAN SUGGESTED SHIFTING FROM NEGOTIATION OF THE DECLARATION OF PRINCIPLES TO A DISCUSSION OF CONCRETE ARRANGEMENTS FOR THE WEST BANK/GAZA--IN EFFECT, WORKING

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BACKWARDS TO THE DECLARATION--BECAUSE HE SAW LITTLE POSSIBILITY OF PRIOR AGREEMENT ON THE KEY PRINCIPLES OF WITHDRAWAL AND THE PALESTINIAN PROBLEM. DAYAN STATED THAT IF SADAT FELT IT NECESSARY TO ACHIEVE SOME MOVEMENT ON THE PALESTINIAN ISSUE, HE MUST COMMIT HIMSELF TO NEGOTIATING AND CONCLUDING AGREEMENTS FOR THE WEST BANK/GAZA, REGARDLESS

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EXDIS

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OF WHETHER HUSSEIN JOINED THE NEGOTIATING PROCESS OR NOT.
DAYAN WANTS TO RENEW DIRECT NEGOTIATIONS UNDER ANY POSSIBLE

FORMAT -- WHETHER SADAT WILL CLEARLY ANSWER THIS QUESTION OR NOT -- AND HE NOW HAS BEGIN'S SUPPORT TO DO SO. IT IS ALSO PROBABLE THAT HE IS LOOKING FORWARD TO AN EGYPTIAN COUNTER-PROPOSAL, PLACED ON THE TABLE BEFORE OR DURING THE NEXT PHASE OF DIRECT TALKS, THOUGH HE PUTS LESS STORE BY THIS FORMAL STEP THAN BEGIN. HE REAMINS CONSISTENTLY PESSIMISTIC ABOUT THE CHANCES OF A SETTLEMENT, YET DETERMINED TO KEEP TRYING. MORE THAN ANYONE ELSE AMONG THE KEY PLAYERS, DAYAN IS SUPREMELY CONSCIOUS OF THE NEED TO KEEP Q.S. SUPPORT FOR ISRAEL'S POSITIONS AND TO INVOLVE VANCE IN ANY MEETINGS WITH THE EGYPTIANS; ESPECIALLY KAMEL FOR WHOM HE HAS A LOW REGARD. ENIGMATIC AS DAYAN CAN SOMETIMES BE, HE IS THE KEY TO EXTENDING BEGIN'S IDEOLOGICAL LIMITS THROUGH AMBIGUOUS PHRASEOLOGY AND IMAGINATION FROMULATIONS. SPECIFIC TALKERS: DAYAN WILL BE MOST INTERESTED IN THE VICE PRESIDENT'S APPRAISAL OF SADAT'S CURRENT STRATEGY. IS HE STILL SERIOUS? WHAT COMMITMENTS WILL BE UNDERTAKEN, EXPECIALLY CONCERNING THE WEST BANK?
-- I KNOW THAT ISRAEL SEES AS THE TOP PRIORITY THE RENEWAL OF DIRECT NEGOTIATIONS WITH EGYPT. IF WE ARE ABLE TO ARRANGE A VANCE/KAMEL/DAYAN MEETING SOON, WHAT DO YOU

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THINK MIGHT BE ACHIEVED THERE? WHAT CAN WE DO TO IMPROVE THE PROSPECTS FOR SUCH A MEETING? WHAT IS NOW YOUR GENERAL STRATEGY FOR THE NEGOTIATIONS WITH EGYPT, ASSUMING THEY CAN RECONVENE IN SOME FORM?

-- DID THE CABINET'S ANSWER TO OUR QUESTIONS REPRESENT THE MAXIMUM FLEXIBILITY POSSIBLE AT THIS TIME? MIGHT SOMETHING MORE BE POSSIBLE IN A LONDON MEETING?
-- WHAT ADDITIONAL ROLE DO YOU THINK THE U.S. CAN MOST USEFULLY PLAY IN THE COMING WEKS?

4. MEETING WITH WEIZMAN:

BACKGROUND:
EXER WEIZMAN, MINISTER OF DEFENSE, IS DEEPLY DISTURBED BY THE BEGIN GOVERNMENT'S HANDLING OF THE NEGOTIATIONS AND HAS BEEN OUTSPOKEN IN SAYING SO. IN CONTRAST TO BEGIN'S RELIGIOUS-IDEOLOGICAL OUTLOOK, WEIZMAN HAS A PRAGMATIC APPROACH WHICH SEEKS TO RECONCILE ISRAEL'S SEARCH FOR PEACE WITH HER SECURITY REQUIREMENTS. HE IS CONVINCED THAT SADAT IS SINCERELY INTERESTED IN PEACE WITH ISRAEL AND THAT THE TIME AND CIRCUMSTANCES ARE PROPITIOUS FOR A MUTUALLY ACCEPTABLE ACCORD WITH EGYPT. HE IS FRUSTRATED BY HIS INABILITY TO CONVINCE HIS PARTY AND SOME OF THE CABINET OF THIS VIEW. HE ALSO BELIEVES THAT HE PERSONALLY WOULD BE IN THE BEST POSITION, DUE TO THE RAPPORT HE HAS ESTABLISHED WITH SADAT AND GAMASY, TO ACHIEVE SUCH AN AGREEMENT.
DURING THE EXTENDED CABINET DEBATE, WEIZMAN PROPOSED A POSITIVE RESPONSE WHICH ENJOYED INITIAL SUPPORT BUT WAS

IN THE END REJECTED IN FAVOR OF THE PRIME MINISTER'S DRAFT.
HE IS INCREASINGLY BITTER ABOUT DAYAN'S "MANIPULATION" OF
BEGIN AND THE CABINET - AND SAYS THAT BOTH MISLED HIM INTO
THINKING THEY WOULD ACCEPT AT LEAST SOME OF HIS APPROACH.
HE DOES NOT INTEND TO RESIGN, BUT SAYS HE PLANS TO CONTINUE
FIGHTING FOR HIS IDEAS - AND IT IS OBVIOUS THAT BEGIN DOES

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NOT WANT TO DRIVE HIM INTO RESIGNATION, AT LEAST NOT NOW.

IN THE BARELY SUBMERGED STRUGGLE TO BECOME BEGIN'S
HEIR, WEIZMAN REMAINS THE FRONT RUNNER. HOWEVER, HIS
FLEXIBILITY TOWARD THE NEGOTIATIONS AND HIS OUTSPOKEN
CRITICISM OF THOSE MINISTERS -- PARTICULARLY DAYAN AND
BEGIN -- WHO DO NOT SHARE HIS VIEWS, HAVE ERODED HIS POSITIONS
WITHIN HIS OWN PARTY. AFTER HIS PUBLIC ROW WITH
BEGIN AND DAYAN FOLLOWING THE CABINET RESPONSE TO OUR
QUESTIONS, WEIZMAN MUST NOW TAKE GREAT CARE THAT HE DOES
NOT DAMAGE HIS POSITION FURTHER. WEIZMAN COULD WELL FOCUS
ON MATMON C AND HIS CONCERN ABOUT DELAYS IN DELIVERY OF
NEW EQUIPMENT TO ISRAEL. HE COULD ALSO COMPLAIN ABOUT
ABSENCE OF DIRECTED ISRAELI-EGYPTIAN DIALOGUE AND MAY
IMPLICITLY SUGGEST US IN ITS "COMPREHENSIVE QUEST" MAY
BEAR SOME OF THE BLAME FOR THE BREAKDOWN.

SPECIFIC TALKERS:

-- I UNDERSTAND THAT YOU HAD YOUR OWN IDEAS FOR A RESPONSE
TO THE TWO QUESTIONS WE POSED TO ISRAEL. IN LIGHT OF
ISRAEL'S ANSWERS, HOW DO YOU SEE THE NEGOTIATING SITUATION
EVOLVING?

-- WHAT IS THE STATUS OF YOUR OWN DIRECT CONTACTS WITH
GAMASY?

-- IS THERE ANYTHING YOU BELIEVE WE COULD BE DOING TO STEP
UP THE MOMENTUM OF THE PEACE PROCESS?

-- ON ISSUE OF MATMON C (ONLY IF ASKED): AS YOU KNOW,
SEVERAL OF THE REQUESTS FROM MATMON C HAVE ALREADY BEEN
FULFILLED. THE REMAINDER ARE STILL UNDER STUDY. IN OUR
DISCUSSION OF ISRAEL'S LEGITIMATE DEFENSE NEEDS WE ARE
GUIDED BY OUR COMMITMENT TO A STRONG ISRAEL AND WILL ENSURE
THAT ITS SECURITY REQUIREMENTS ARE MET. (NOTE: SOMETHING
MORE SPECIFIC, IF POSSIBLE, WOULD HELP, HOWEVER*)

-- ON THE SITUATION IN LEBANON (ONLY IF ASKED): WE APPRECIATE
ISRAEL'S WITHDRAWAL FROM SOUTH LEBANON ON JUNE 13.
ALTHOUGH WE HAVE HEARD SOME ISRAELI CONCERN OVER UNIFIL,
WE BELIEVE THAT THE UN FORCE IS DOING AN EFFECTIVE JOB,
GIVEN THE TERRAIN AND DIFFICULT CIRCUMSTANCES. HOWEVER,

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WE CONTINUE TO BE DISTURBED OVER THE UNSTABLE SITUATION IN THE SOUTH. I AM SURE YOU WILL AGREE THAT THE BEST SOLUTION TO THIS PROBLEM IS THE RETURN OF CENTRAL GOVERNMENT AUTHORITY TO THE AREA. WE HOPE ISRAEL WILL EXERT MORE OF ITS GREAT INFLUENCE WITH THE CHRISTIAN MILITIAS IN THE SOUTH TO FACILITATE THE EFFECTIVE FUNCTIONING OF UNITIL. DO YOU SEE ANY POSSIBLE SOLUTIONS FOR THE SECURITY VACUUM BETWEEN THE LITANI AND ZAHRANI RIVERS?

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S E C R E T SECTION 3 OF 4 TEL AVIV 8047

EXDIS

FOR NEA - SAUNDERS FROM AMBASSADOR

5. MEETING WITH ERLICH:

BACKGROUND:

RENNED FOR HIS POLITICAL AGILITY, FINANCE MINISTER SIMCHA ERLICH'S PRIMARY INTEREST IS ECONOMIC AFFAIRS. HE IS A SHREWD, CAUTIOUS POLITICIAN WHO PREFERS TO WORK BEHIND THE SCENE. HIS "NEW ECONOMIC POLICY" REPRESENTS AN EFFORT TO FREE UP THE ECONOMY FROM THE BUREAUCRATIC INTERVENTIONISM OF LABOR'S TENURE. POSITIVE RESULTS HAVE BEGUN TO SHOW IN SOME AREAS AND THE DIRE FORECASTS OF LABOR UNREST HAVE PROVED UNFOUNDED AS A DEGREE OF COOPERATION BETWEEN THE GOVERNMENT AND THE LABOR-DOMINATED HISTADRUT HAS BEEN ACHIEVED. THE MOVE TOWARD A FREE MARKET REMAINS A SOURCE OF POTENTIAL POLITICAL TROUBLE, AS THE POOR (LARGELY SEPHARDIC) WORKING CLASS -- WHICH CONSTITUTES HERUT'S ELECTORAL BASE -- ALLEGES NEGLECT IN FAVOR OF THE LIBERALS' URBAN MIDDLE CLASS. ERLICH'S PUBLIC POPULARITY IS POOR, BUT LITTLE WORSE THAN PREVIOUS FINANCE MINISTERS.

IN THE PRESS OF EVENTS SINCE NOVEMBER 1977, ERLICH HAS BEEN FORCED TO TAKE A STAND ON ISRAEL'S NEGOTIATING POSITION. HIS STAND HAS BEEN DICTATED LESS BY THE LIBERAL

PARTY'S RESIDUAL MODERATION, WHICH HE PERSONALLY SHARES, THAN BY TWO PRACTICAL CONSIDERATIONS: 1) MAINTAINING THE UNITY OF THE LIKUD; AND 2) FURTHERING HIS DESIRE TO BE
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BEGIN'S SUCCESSOR. BOTH OF THESE FACTORS HAVE REQUIRED HIS FIRM SUPPORT OF BEGIN'S POSITION AT EVERY CRITICAL JUNCTURE. THIS SUPPORT IS USUALLY EXPRESSED IN SUCH A WAY AS TO PRESENT ERLICH'S ROLE IN THE GOVERNMENT AS BOTH MODERATING AND UNIFYING. THIS WAS MOST RECENTLY ILLUSTRATED IN THE EXTENDED CABINET DEBATE ON ISRAEL'S "ANSWERS." ERLICH DID NOT JOIN FORCES WITH WEIZMAN AND THE DMC MINISTERS, ALTHOUGH MOST LIBERAL MINISTERS WOULD HAVE HAD NO TROUBLE SUPPORTING, AS INDEED THEY INITIALLY DID, WEIZMAN'S POSITIVE RESPONSE. TO BALANCE HIS SUPPORT FOR BEGIN'S HARD LINE, ERLICH HAS COME OUT OSTENTATIOUSLY IN DEFENSE OF WEIZMAN'S RIGHT TO DISAGREE WITH THE CABINET DECISION, FEARING THAT A FINAL BEGIN-WEIZMAN RIFT COULD MARK THE BEGINNING OF THE UNRAVELLING OF THE LIKUD. ERLICH IS CLOSELY TIED TO WEALTHY SEGMENTS OF THE AMERICAN JEWISH COMMUNITY AND IS ALSO ACUTELY AWARE OF ISRAEL'S ECONOMIC DEPENDENCE ON THE U.S.

ERLICH WILL HAVE U.S. BUDGETARY SUPPORT FOR ISRAEL ON HIS MIND. THE LIBERALS, AND ESPECIALLY ERLICH, WILL TAKE MUCH OF THE BLAME IF THE ECONOMY GOES SOUR, AND HE WILL BE AFTER EVERY POSSIBLE DIME FROM WASHINGTON.

SEPCIFIC TALKERS:

-- AS HEAD OF THE LIBERAL PARTY AND A KEY FIGURE IN THE LIKUD, HOW DO YOU SEE THE NEGOTIATIONS WITH EGYPT PROGRESSING?
-- I HAVE HEARD A LOT OF YOUR NEW ECONOMIC POLICY. WHAT IS THE CURRENT STATE OF THE ISRAELI ECONOMY?
-- ON ISSUE OF U.S. AID TO ISRAEL (IF ASKED ONLY): WE HAVE ALWAYS TRIED TO ANSWER ISRAEL'S AID REQUESTS AS GENEROUSLY AS POSSIBLE. HOWEVER, AS YOU KNOW, CONGRESS HAS BEGUN TO SCRUTINIZE ALL U.S. FOREIGN ASSISTANCE PROGRAMS VERY CLOSELY. WE INTEND TO BE RESPONSIVE AS WE SEEK TO ASSIST ISRAEL'S ECONOMIC HEALTH AND ABILITY TO MAINTAIN ITS REQUIRED LEVEL OF DEFENSE IMPORTS.

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6. MEETING WITH YADIN:

BACKGROUND:

DEPUTY PRIME MINISTER YADIN SEES HIMSELF AS A VOICE OF MODERATION IN THE CABINET, A PROONENT OF NEGOTIATING FLEXIBILITY AND PRAGMATIC SOLUTIONS. THERE IS A CERTAIN

AMBIGUITY IN YADIN'S POSITION: HE CONTINUES TO UPHOLD THE PRINCIPLE OF TERRITORIAL COMPROMISE AND PARTIAL WITHDRAWAL IN EXCHANGE FOR A FULL PEACE SETTLEMENT, BUT SIMULTANEOUSLY SUPPORTS BEGIN'S PEACE PLAN. HIS DMC PARTY (WHICH IS CONSTANTLY ON THE VERGE OF DISINTERGRATION) RECENTLY CAME OUT IN FAVOR OF THE PROPOSITION THAT SHOULD ISRAEL BE OFFERED A TERRITORIAL COMPROMISE ON THE WEST BANK AND GAZA IN EXCHANGE FOR FULL PEACE, THE DMC WOULD SUPPORT NEGOTIATIONS ON THE BASIS OF SUCH PROPOSAL; THE DMC HAS STATED IT WOULD LEAVE THE GOVERNMENT IF SUCH A PLAN WERE REJECTED BY THE CABINET. THE DMC IS IN AN UNENVIALE POSITION; ITS INFLUENCE IS INSUFFICIENT TO MOVE BEGIN TOWARD THE FLEXIBILITY IT ESPUSES. THE PARTY'S INTERNAL WEAKNESS REDUCES ITS LEVERAGE IN THE CABINET AND VITATI THE IMPACT OF ITS THREATS TO LEAVE THE GOVERNMENT. IT IS THEREFORE LEFT TO FILL THE ROLE OF FEEBLE IN-HOUSE DISSENTER.

YADIN HAS PRESIDED OVER A PARTY WHICH LITTLE OVER A YEAR AGO GARNERED UNPRECEDENTED SUPPORT IN ITS ELECTORAL DEUT BUT WHOSE REFORM IMAGE HAS SINCE BEEN TARNISHED. YADIN'S PUBLIC IMAGE HAS SUFFERED AS WELL. HE IS GENERALLY VIEWED AS A VACILLATING UPHOLDER OF PRINCIPLE AND A WEAK PARTY LEADER. YADIN CAN BE EXPECTED TO EMPHASIZE HIS VITAL ROLE AS A MODERATING FORCE WITHIN THE GOVERNMENT, AND HIS EFFECTIVENESS, GIVEN INTRA-CABINET RESTRAINTS, AS A COUNTERWEIGHT TO ITS HARDLINERS. IN ADDITION, HE SHARES, AND WILL UNDOUBTEDLY EXPRESS, THE CONVENTIONAL VIEW THAT ONLY ISRAEL HAS BEEN CALLED UPON TO MAKE CONCESSIONS AND THAT NEGOTIATING PROGRESS REQUIRES RECIPROCAL EGYPTIAN FLEXIBILITY.

GETTING HIS PICTURE TAKEN WITH THE VICE PRESIDENT WILL
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BE A PLUS FOR THE FLAGGING YADIN. AS A HISTORIAN, HE AMY ALSO ASK ABOUT THE EROSION OF SUPPORT FOR ISRAEL IN THE CONGRESS AND IN THE US AT LARGE.

SPECIFIC TALKERS:

-- I UNDERSTAND THAT YOU AND YOUR FELLOW MINISTERS FROM THE DMC DISSENTED FROM YOUR GOVERNMENT'S RESPONSE TO THE TWO AMERICAN QUESTIONS. ARE YOU OPTIMISTIC THAT YOU WILL BE ABLE TO INFLUENCE THE GOVERNMENT TOWARD YOUR FLEXIBLE APPROACH TO THE NEGOTIATIONS?

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S E C R E T SECTION 4 OF 4 TEL AVIV 8047

EXDIS

FOR NEA - SAUNDERS FROM AMBASSADOR

-- YOUR PARTY HAS RECENTLY HAD MORE THAN ITS SHARE OF INTERNAL PROBLEMS. HOW DO YOU INTERPRET THE RESULTS OF THE RECENT ELECTION (JUNE 28) OF A NEW DMC COUNCIL IN TERMS OF SUPPORT FOR YOUR PARTY'S CONTINUED PARTICIPATION IN THE COALITION?

-- WHAT ROLE WOULD YOU LIKE TO SEE THE U.S. PLAY IN THE PEACE PROCESS IN THE WEEKS JUST AHEAD?

7. MEETING WITH PERES:

BACKGROUND:

SHIMON PERES, THE HEAD OF THE LABOR PARTY, IS TRYING TO ESTABLISH HIS PARTY AS A CREDIBLE ALTERNATIVE TO BEGIN'S LIKUD. HE IS EMPHASIZING THAT HE WOULD HAVE BEEN ABLE TO CONCLUDE AN ACCEPTABLE DECLARATION OF PRINCIPLES WITH EGYPT AND MAINTAIN THE MOMENTUM OF THE PEACE PROCESS. HE ACCEPTS THE PRINCIPLE OF WITHDRAWAL FROM THE WEST BANK/GAZA BASED UPON TERRITORIAL COMPROMISE AND THE ASWAN STATEMENT CONCERNING PALESTINIAN PARTICIPATION IN THE DETERMINATION OF THEIR OWN FUTURE. HE HAS STATED THAT ISRAEL SHOULD WITHDRAW IN SINAI TO A DEFENSIVE BORDER WHICH WOULD LEAVE JEWISH SETTLEMENTS UNDER ISRAELI RULE. A TERRITORIAL EXCHANGE IS ACCEPTED AS ONE WAY TO BRING THIS ABOUT. FURTHERMORE, SINCE ISRAEL AND THE ARABS ARE NOT NOW ABLE TO AGREE ON A

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PARTITION OF THE WEST BANK, HE HAS ADVOCATED A FUNCTIONAL ARRANGEMENT, WITH ISRAEL AND JORDAN SHARING RESPONSIBILITIES, OR LIMITED TERRITORIAL COMPROMISE AS PART OF AN INTERIM ACCORD. HE ALSO STRESSES THAT HE WOULD HAVE BEEN ABLE TO COORDINATE ISRAEL'S STANDS ON THESE ISSUES WITH THE U.S., THUS AVOIDING THE STEADY DETERIORATION IN U.S.-ISRAELI RELATIONS OVER THE PAST YEAR. PERES MAINTAINS THAT ISRAEL'S RESPONSE TO THE AMERICAN QUESTIONS SHOULD HAVE BEEN POSITIVE,

BUT THAT THE QUESTIONS WOULD NEVER HAVE BEEN POSED HAD THE LABOR PARTY'S FLEXIBLE POSITION ON 242 AND THE WEST BANK BEEN ADOPTED.

DESPITE HIS CRITICISM OF BEGIN'S APPROACH TO THE NEGOTIATIONS, PERES BELIEVES THAT SADAT ALSO SHARES SOME OF THE BLAME FOR THE CURRENT DEADLOCK. HE NOTES THAT SADAT PULLED HIS DELEGATION OUT OF THE JERUSLAME POLITICAL COMMITTEE IN JANUARY AND HAS SINCE REFUSED TO RESUME DIRECT NEGOTIATIONS, JUST AS THE U.S. IS PUSHING ISRAEL TO MODIFY ITS POSITIONS, PERES BELIEVES IT SHOULD EQUALLY LEAN ON EGYPT TO MOVE IN THE DIRECTION OF COMPROMISE. PERES IS TRYING TO DECIDE ON THE BEST MOMENT FOR HIM TO ACCEPT SADAT'S INVITATION TO VISIT CAIRO, AND IS COORDINATING HIS INTERNATIONAL MOVES CLOSELY WITH LEADERS OF EUROPEAN SOCIAL DEMOCRATIC PARTIES.

PERES WILL PROBABLY WANT TO TALK AND HE IS WORTH LISTENING TO. HE MAY BE PARTICULARLY INTERESTED IN THE VICE PRESIDENT'S VIEW OF HOW WE GET TO THE NEXT STATION ON THE PEACE LINE. HE MAY ALSO COMMEND TO THE VICE PRESIDENT, AS HE HAS RECENTLY TO US, PATIENCE ON THE PART OF THE U.S. HE NOW BELIEVES BEGIN'S CABINET IS IN A RAPID STATE OF DISINTEGRATION - AND SEES LABOR'S PROSPECTS FOR RETURN TO POWER AS BRIGHT, AT LEAST WITHIN A FEW MONTHS.

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-- YOU HAVE ADVOCATED A DIFFERENT APPROACH TO THE TERRITORIAL PROBLEMS IN THE NEGOTIATIONS. DO YOU BELIEVE YOUR POSTIONS WOULD BE MORE ACCEPTABLE TO JORDAN, THE PALESTINIANS AND EGYPT THAN THE ISRAELI GOVERNMENT'S PLAN?

-- WHAT IS THE CONDITION OF THE LABOR ALIGNMENT TODAY?

-- I UNDERSTAND THAT DURING YOUR MEETING IN SALZBURG, PRESIDENT SADAT EXTENDED TO YO AN INVITATION TO VISIT CAIRO. DO YOU PLAN TO SEE SADAT IN THE NEAR FUTURE?

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Message Attributes

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Locator: TEXT ON-LINE, ON MICROFILM
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TAGS: PEPR, IS, US, (MONDALE, WALTER F)
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